Economic Development

REPORT ON PLANS AND PRIORITIES 2011-12

Estimates

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for the Regions of Quebec

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MINISTER'S MESSAGE

I am pleased to submit the *Report on Plans and Priorities 2011-12* of the Economic Development Agency of Canada for the Regions of Quebec.

Over the past two years, the Agency has taken unprecedented steps to support communities affected by the global economic crisis. Implementation of the *Canada's Economic Action Plan* (CEAP) enabled us to create employment, facilitate enterprises' access to credit and support economic growth. The Economic Development Agency of Canada for the Regions of Quebec has played a central role in developing and implementing these measures aimed at mitigating the impact of the crisis on the regions.

The economy remains the top priority of the Government of Canada. This is why, over the coming year, we will continue to focus on economic growth, while seeking to re-establish the fiscal balance so as to maintain the sound budgetary situation that distinguishes our country from so many others.

To that end, the Agency has set two priorities for action: to make Quebec communities stronger, and to help SMEs become more competitive. Through the *Temporary Initiative for the Strengthening of Quebec's Forest Economies* (TISQFE), the Agency will provide significant support for diversification of communities affected by the forestry crisis.

The strength of regional economies is central to the Agency's mandate. I invite you to read through this Report, which presents the Agency's priorities and expect results in 2011-12 in order to contribute to the development and outreach of Quebec's communities.

Denis Lebel
Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec

1 AGENCY OVERVIEW

1.1 Summary information

1.1.1 Raison d'être

Object

Under its Act, which came into effect on October 5, 2005, the object of the Agency is to promote the long-term economic development of the regions of Quebec by giving special attention to those where slow economic growth is prevalent or opportunities for productive employment are inadequate. In carrying out its object, the Agency shall take such measures as will promote co-operation and complementarity with Quebec and communities in Quebec.

Vision

In line with its object, the Agency aims for all Quebec communities and SMEs to participate to their full potential in the economy of tomorrow, building on their own assets. In the long term, they will be more competitive and innovative.

1.1.2 The Agency in action

Pursuant to its mandate, the Agency aims to increase communities' vitality and reinforce the competitiveness of Quebec's enterprises and regions. Through its 14 business offices and its advisors, it covers all areas of Quebec, where it acts primarily in relation to small- and medium-sized enterprises (SMEs) and non-profit organizations (NPOs). The Agency offers financial assistance as well as information, accompaniment and study services, while referring clientele as required to other federal departments and agencies. The Agency also encourages communities in their mobilization and recovery efforts so as to help them diversify their economies.

The Agency funds different NPOs, including *Community Futures Development Corporations* (CFDCs), *Community Economic Development Corporations* (CEDCs) and *Business Development Centres* (BDCs) in order to foster economic development.

The Agency also funds two *Canada Business Network* service centres which provide entrepreneurs with business information services and referrals to specialized resources: *Info entrepreneurs*[1] in Montreal and *Ressources Entreprises*[2] in Quebec City.

Regular programs:

- *Community Diversification*
- *Business and Regional Growth*
- *Regional Development Research*

Canada-wide program implemented in Quebec by the Agency:

- *Community Futures Program (CFP)*

[1] www.infoentrepreneurs.org
[2] www.ressourcesentreprises.org/Home.aspx

1.2 Contribution to the Federal Sustainable Development Strategy

The Economic Development Agency of Canada for the Regions of Quebec is a participant in the Federal Sustainable Development Strategy (FSDS). The FSDS represents a step forward for the Government of Canada by including environmental sustainability and strategic environmental assessment as an integral part of its decision-making processes.

The Agency contributes more specifically to two themes of the FSDS:

Addressing climate change and air quality

Shrinking the environmental footprint – Beginning with government.

Further information on Agency activities in support of sustainable development are available in Sections 2, 3 ("Greening government operations" table) and 4 of the RPP, and at www.dec-ced.gc.ca/eng/agency/environmental-affairs/environment.html.

Additional information on the FSDS is also available on the Environment Canada Website at www.ec.gc.ca/dd-sd/default.asp?lang=En&n=C2844D2D-1.

Legend for icons representing the four FSDS themes

Theme I

Addressing climate change and air quality

Theme II

Maintaining water quality and availability

Theme III

Protecting nature

Theme IV

Shrinking the environmental footprint – Beginning with government

1.3 Strategic outcome and Program Activity Architecture (PAA)

To fulfil its mandate, the Agency aims to attain one strategic outcome: "A competitive and diversified economy for the regions of Quebec." The following table presents the Agency's PAA and shows the full framework of program activities and subactivities, as well as their contribution to the strategic outcome. The PAA was revised since the last RPP so as to ensure even more effective reporting, and has been in effect since April 6, 2010.

Strategic outcome	Program activity	Program subactivities	Internal services
Quebec regions have a competitive, diversified economy	*Community development*	▪ *Community mobilization* ▪ *Local and regional enterprises* ▪ *Tourism and community facilities*	*Governance and management support* *Resource management services* *Asset management services*
	Infrastructure	▪ *Water quality* ▪ *Roads and public transit* ▪ *Urban or regional projects* ▪ *Special infrastructure-dedicated programs*	
	Special intervention measures	▪ *Community adjustment to economic shocks* ▪ *Community adjustment to natural disasters* SOLELY AS REQUIRED, AD-HOC FUNDING	
	Enterprise competitiveness	▪ *Enterprises' strategic capability* ▪ *Strategic enterprises*	
	Competitive positioning of sectors and regions	▪ *Growth poles* ▪ *International promotion of regions*	
	Policies, programs and initiatives	▪ *Analysis and research* ▪ *Policies and programs* ▪ *Representation, influence and collaboration*	

This year's Report sets out the plans and priorities in line with the components of the PAA. Further information on the Agency's strategic outcome is given in Section 2.

The icon placed alongside *Community development* and *Enterprise competitiveness* indicates that those program activities include elements applicable to the FSDS, and more specifically to Theme I, *Addressing climate change and air quality.*

The icon alongside *Internal services* indicates that this program activity comprises elements associated with Theme IV of the FSDS, *Shrinking the environmental footprint – Beginning with government.*

1.4 Planning summary

Human resources planning is carried out in the context of overall Departmental planning. Tools have been developed to help managers evaluate their current and future human resources needs, highlighting in particular any gaps that may exist between current capabilities and operational challenges as anticipated over the next three years.

This section presents planned financial resources (grants and contributions, and operating expenditures) and human resources (expressed as full-time equivalents, or FTEs), along with a summary table portraying Agency planning for the next three fiscal years. Additional information is presented in Section 2.

Financial and human resources

Financial resources *(in thousands of dollars)*			Human resources *(full-time equivalent – FTE)*		
2011-12	**2012-13**	**2013-14**	**2011-12**	**2012-13**	**2013-14**
298,903	*292,762*	*242,419*	*399*	*369*	*346*

The decrease in both financial and human resources between 2011-12 and 2013-14 is attributable to the termination of funding for temporary initiatives over the next few years. Note that the data presented in the tables are forecasts based on information available when this Report was drafted, so the renewal or addition of initiatives could cause the amount and number of resources allocated to vary.

For its strategic outcome and each of its program activities, the Agency has established results targets. But economic development largely depends, on the one hand, on local and regional enterprises and stakeholders which design and execute the projects the Agency supports and, on the other hand, on the strength of the economic recovery. The business opportunities arising from the recovery will influence the quantity, scale, timetable and success rate of the projects the Agency supports.

PLANNING SUMMARY TABLE[3]

Strategic outcome: *A competitive and diversified economy for the regions of Quebec*

Performance indicators ▪ Impact on GDP and employment of dollars spent by the Agency ▪ Survival rate and sales figures of SMEs supported by the Agency		**Five-year target (from 2007-08 to 2011-12)** The competitiveness and economic diversification of Quebec regions are maintained or increased.			
Program activity[4]	**Forecast spending 2010-11** *(in thousands of dollars)*	**Planned spending** *(in thousands of dollars)*			**Alignment to Government of Canada outcomes[7]**
		2011-12	**2012-13**	**2013-14**	
Community development	*128,687*	*152,931*	*136,436*	*114,961*	Strong economic growth
Infrastructure	*91,291*	*342*[5]	*14,844*[6]	*3,648*	Strong economic growth
Special intervention measures	*108,755*	*0*	*0*	*0*	Strong economic growth
Enterprise competitiveness	*82,934*	*93,702*	*91,371*	*78,258*	Strong economic growth
Competitive positioning of sectors and regions	*35,493*	*22,744*	*21,793*	*18,100*	Strong economic growth
Policies, programs and initiatives	*5,323*	*5,675*	*5,436*	*5,209*	Strong economic growth
Internal services	*23,177*	*23,509*	*22,882*	*22,243*	-
Total planned spending	***475,660***	***298,903***	***292,762***	***242,419***	

[3] This table includes grants and contributions expenditures and operating expenditures. *Internal services* include only operating expenditures.

[4] Estimates at: www.tbs-sct.gc.ca/est-pre/index-eng.asp

[5] Planned spending in 2011-12 for the *Infrastructure* program activity does not include funds intended for the *Recreational Infrastructure Canada* program since, at the time this Report was prepared, that information was not available.

[6] The increase in planned spending in 2012-13 and 2013-14 for the *Infrastructure* program activity is associated with the implementation of the contribution program to fund construction of a gas pipeline between Vallée-Jonction and Thetford Mines.

[7] http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

Over the past two years, the Agency has received funding under *Canada's Economic Action Plan* (CEAP) for implementation of different initiatives, such as the *Community Adjustment Fund* (CAF), the *Recreational Infrastructure Canada* (RInC) program and the *Contribution program to supply the Municipality of Shannon with drinking water.*[8] As planned, CEAP will terminate on March 31, 2011, except for RInC, which will terminate on October 31, 2011, so the Agency will revert to its regular budget base.

The decrease in planned spending within the Agency's regular budget base is attributable to the termination over the next few years of funding for such temporary initiatives as the *Support Initiative for International Cruise Development* and the *Roadmap for Canada's Linguistic Duality Economic Development Initiative*, and the completion of large-scale projects, such as construction of Montreal's new Planetarium and implementation of broadband telecommunications networks.

1.5 Contribution of priorities to strategic outcome

The Agency has selected four priorities for fiscal year 2011-12: two program priorities, and two management priorities. These are in line with those presented in the *Report on Plans and Priorities 2010-11.*

Program priorities:

- Make Quebec communities stronger
- Help SMEs become more competitive

Management priorities:

- Improve the integrated planning approach
- Update policy directions and develop new programs

Priorities represent the areas on which the Agency has decided to focus. It allocates part of its resources to them on the basis of Government of Canada priorities, targeted Departmental results and the regions' socio-economic challenges. The Agency's overall intervention is covered in Section 2, which presents total planned spending and results by program activity.

[8] Expenditures associated with the CAF are included in the *Special intervention measures* program activity, while expenditures associated with RInC and the *Contribution program to supply the Municipality of Shannon with drinking water* are included in the *Infrastructure* program activity.

Overview of contribution of priorities to strategic outcome:
A competitive and diversified economy for the regions of Quebec

Program priorities	Type	Links to program activities	Description
Make Quebec communities stronger	Priority previously committed to during FY 2010-11 *(Revised wording)*	*Community development*	**Why is this a priority?** In a long-range economic development perspective, it is important to continue supporting the vitality of Quebec communities. **Plan for meeting the priority** ▪ Support entrepreneurship and creation of SMEs. ▪ Support diversification of communities affected by the forestry crisis.
Help SMEs become more competitive	Priority previously committed to during FY 2010-11 *(Revised wording)*	*Enterprise competitiveness*	**Why is this a priority?** To be successful, Quebec SMEs have to pursue their efforts to become more productive and innovative and increase their presence on international markets. **Plan for meeting the priority** Support SMEs by focussing on: ▪ Enhancement of productivity ▪ Development and commercialization of innovative products ▪ Technology transfer ▪ Enhancement of opportunities on international markets.

Management priorities	Type	Links to program activities	Description
Improve the integrated planning approach	New priority	*Internal services*	**Why is this a priority?** Enhanced integration of planning mechanisms contributes to enriching decision-making. **Plan for meeting the priority** Support and frame the planning process even more effectively and develop associated tools so as to ensure that plans and activities carried out are more closely aligned to expected results and Agency priorities.
Update policy directions and develop new programs	Priority previously committed to during FY 2010-11	*Policies, programs and initiatives* *Internal services*	**Why is this a priority?** The grants and contributions programs expire on March 31, 2012. **Plan for meeting the priority** The Agency is taking steps to renew its strategic framework, Program Activity Architecture and programs, and will develop tools for delivery of new programs..

1.5.1 Program priorities

Instability on financial markets, which limits access to funding, competition from emerging nations and the strong Canadian dollar are among the factors affecting Quebec SMEs and communities. In this economic context, it is essential for the Agency to continue supporting SMEs and communities. The Agency therefore intends to pursue its intervention aimed at supporting the diversification of regional economies, backing the creation and development of Quebec SMEs and helping them become more competitive.

Priority #1: Make Quebec communities stronger

To continue fulfilling its economic development mandate, the Agency wishes to support the implementation of projects likely to energize Quebec regions and communities. To that end, the Agency focusses on:

- **entrepreneurship, creation and development of SMEs**

  SMEs contribute to fostering the vitality of communities and regions, as well as economic growth in the regions. Because it recognizes the importance of their role, the Agency will support projects for the creation and development of SMEs, as well as providing support for entrepreneurship services projects.

- **diversification of communities affected by the forestry crisis**

  Temporary Initiative for the Strengthening of Quebec's Forest Economies (TISQFE)
  In 2011-12, the Agency will support, through contributions totalling $22.5 million, projects that will help reinforce and increase economic activity in areas affected by the forestry crisis in order to create and maintain employment there, and will pay special attention to SMEs established in the affected communities so as to enhance their performance.

Priority #2: Help SMEs become more competitive

To fulfil its economic development mandate, the Agency intends to provide direct support for projects likely to meet challenges specific to SMEs. Thus, to help SMEs operate in an increasingly competitive market and to reinforce their productivity and performance, the Agency focusses on:

- **enhancement of productivity**

  The Agency will support enterprises' projects in the areas of production management, procurement and distribution logistics, thus contributing to enhancing their productivity and performance.

- **development and commercialization of innovative products**

  The Agency will support projects likely to upgrade enterprises' performance with respect to commercial enhancement of technology and innovation, thus contributing to improving their productivity and competitiveness.

- **technology transfer**

  The Agency will support projects likely to foster activities involving transfer of technological expertise held by institutions and other research agencies to SMEs and intensify links between the former and enterprises, thus contributing to enhancing enterprises' competitiveness and performance.

- **enhancement of opportunities on international markets**

  The Agency will support projects likely to reinforce enterprises' capability to carry through their internationalization efforts successfully. To that end, it will help enterprises identify and develop new markets, commercialize their products and services more effectively on international markets and develop profitable business relations and partnerships, thus enhancing their global competitiveness.

1.5.2 Management priorities

The management priorities for 2011-12 are in line with those already indicated in the Agency's *Report on Plans and Priorities 2010-11*. They contribute to fostering certain business practices, so as to ensure sound management of public funds and report more effectively on the Agency's results.

Priority #3: Improve the integrated planning approach

The latest report of the Clerk of the Privy Council to the Prime Minister stresses that integrated planning is the cornerstone of renewal of the Public Service. In it, the Clerk emphasizes the need to integrate planning in Departmental activities and ensure that the plans contribute to guiding decisions on resources.

The Agency recognizes the need to improve its integrated planning approach. In that regard, it will build on the efforts invested over the past year in integrating risk management and performance information in the planning process.

To achieve this priority, the Agency intends to take concrete steps to integrate more effectively all dimensions of planning (strategic and operational) and ensure that the approach is carried out in a timely manner.

Priority #4: Update policy directions and develop new programs

To be even more effective in helping Quebec regions and enterprises meet the challenges of tomorrow's economy, in 2011-12 the Agency will continue the process of reviewing its policy directions, strategic priorities and Program Activity Architecture, and will initiate development of its new programs. This process involves rigorous analysis of trends and economic issues in order to ensure that Agency intervention is in line with government priorities and geared to the new realities, thus enabling enterprises to enhance their performance and regions to be more dynamic.

1.6 Analysis of risks

In its desire to attain its results, the Agency has to have an overview of the changing factors that have a marked impact on its environment and to integrate these factors into its decision-making processes so as to respond more effectively to the new needs of Quebec enterprises, communities and regions.

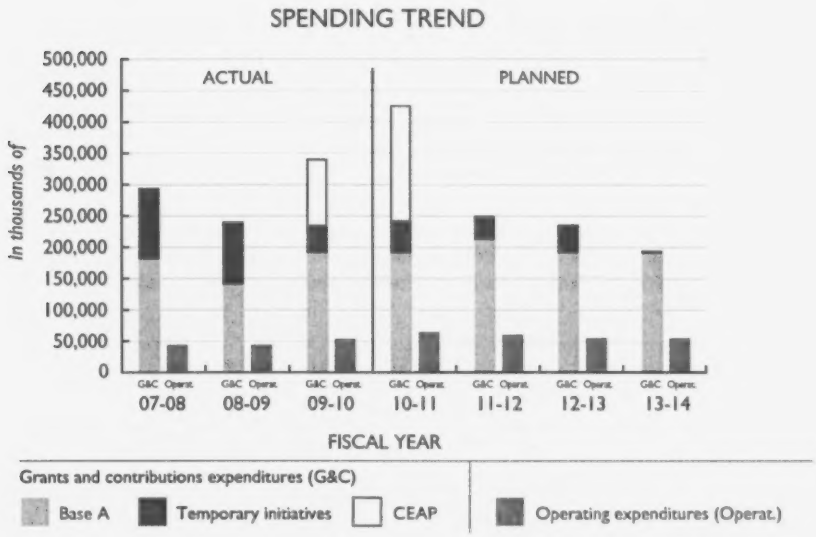
The Agency's corporate risks are determined through a rigorous approach involving all branches along with senior management. It was in a perspective of evolving internal and external factors that the Agency drew up the profile of its main corporate risks representing the risk sectors most likely to hamper the attainment of anticipated results and affect the Agency's performance in terms of efficiency and effectiveness of management practices. The mitigation strategies identified will be implemented, and monitored to ensure that the impact of risks is reduced.

Key corporate risks[9]	Mitigation strategies
Governance Additional pressure on Agency budget following decline in program expenditures from other funding providers	▪ Monitoring and analysis of other funding providers' priorities ▪ Review of their programs and budgets, and analysis of impact on Agency ▪ Where necessary, development of policies or guidelines and key messages.
Policies and programs Development (including all associated tools) of new grants and contributions programs	▪ Agency priority with dedicated resources (e.g., dedicated team set up as early as summer 2010) ▪ Detailed planning of project and impact on Agency.
Human resources Human resources management, especially future match between operational needs and existing human resources	▪ Introduction of mechanism to facilitate human resources alignment ▪ Integration of mechanism with integrated planning.
Information management Management of information (e.g., system, accuracy of information) to support decision-making and reporting	▪ Clarification of procedures for disposal of grants and contributions files ▪ New information classification model ▪ Implementation of electronic document management system.
Control Control system linked to program delivery and management of corporate finances	▪ Documentation and evaluation of effectiveness of internal controls and Departmental systems for financial reporting ▪ Implementation of action plan in line with evaluation findings.
Receivables Risk of growing number of bad debts	▪ Recruitment of collection resources and establishment of activity and file processing structure ▪ Establishment of mechanism for follow-up on files and classification ▪ Development of management information tools for follow-up and improvement ▪ Establishment of measures for evaluating progress in file processing and follow-up ▪ Support for Agency business offices with respect to collection.
Citizen-focussed service Deployment of new service delivery strategy	▪ Approval of guidelines for providing strategy directions ▪ Framing of strategy by project management structure and resourcing ▪ Approval of new governance structure (roles and responsibilities) with respect to service delivery.

[9] These risks are associated with attainment of the results of PAA program activities.

1.7 Expenditure profile

Departmental spending trends



Canada's Economic Action Plan has had an impact on spending trends in the past few years. In fact, CEAP[10] spending stood at $113.1 million in 2009-10 and is estimated at $188.1 million for 2010-11. As planned, CEAP will terminate on March 31, 2011, except for RInC, which will terminate on October 31, 2011, so the Agency will revert to its regular budget base.

As the spending trend chart shows, the Agency anticipates a decrease in its expenditures from 2011-12 to 2013-14. This decline is attributable to the termination of funding for temporary initiatives over the next few years, as well as the completion of large-scale projects, as listed in Section 1.4. In fact, planned spending falls from $298.9 million in 2011-12 to $242.4 million in 2013-14.

1.8 Estimates by voted item

Estimates by voted item are presented in the *Main Estimates* and are available on the Treasury Board of Canada Secretariat's Website at www.tbs-sct.gc.ca/est-pre/20112012/me-bpd/info/info-eng.asp.

[10] The vertical bars in the chart representing planned spending in 2011-12 do not include RInC funding since, at the time this Report was prepared, that information was not available.

2 ANALYSIS OF PROGRAM ACTIVITIES FOR THE STRATEGIC OUTCOME

This section provides information on the Agency's strategic outcome and program activities. For each program activity there is a *Program activity summary* subsection, which presents a brief description of the activity, as well as a *Planning highlights and benefits to Canadians* subsection, which outlines briefly how each program activity will support the priorities and strategic outcome set out in Section 1.

2.1 Strategic outcome: A competitive and diversified economy for the regions of Quebec

The Agency's strategic outcome reflects the object of the *Act establishing the Economic Development Agency of Canada for the Regions of Quebec*: to promote the development and diversification of the economy of the regions of Quebec. This outcome contributes to one of the results targeted by the Government of Canada: strong economic growth.

2.1.1 Challenges associated with the strategic outcome

For communities

Several regions or communities whose economy is traditionally based on natural resources and which are generally far from the major markets are having difficulty diversifying their economic base. Owing to their heavy dependency on a small number of industries or sectors, these regions or communities are more exposed and vulnerable to market fluctuations. While higher prices for raw materials will stimulate growth for some of them, weak U.S. growth will continue to affect the economy of regions and communities dependent on the forest sector.

For SMEs

Over the past few years, competition from emerging nations and the higher Canadian dollar have forced SMEs to increase their productivity and innovate in order to remain competitive and profitable. Faced with increased economic integration and the development of global supply chains, many SMEs have adapted by modifying their business models, developing innovative products and conquering new markets. Adjusting to this new competitive reality involves substantial investment. In supporting these SMEs, the Agency is reinforcing their competitiveness and helping the regions develop.

Through the implementation of its program activities, the Agency intervenes with respect to the challenges affecting communities and SMEs that are in line with its strategic outcome.

2.2 Program activities

This subsection presents all the Agency's program activities, as well as the planned resources and results for each of them.

2.2.1 Program activity: *Community development*

Human resources (FTEs) and planned spending *(in thousands of dollars)*

2011-12		2012-13		2013-14	
FTEs	Planned spending	FTEs	Planned spending	FTEs	Planned spending
88	*152,931*	81	*136,436*	77	*114,961*

The gradual decrease in the Agency's planned spending between 2011-12 and 2013-14 is largely attributable to the termination of funding provided under several temporary initiatives.

Program activity expected results	Performance indicators	Annual targets 2011-12[11]
Communities have capabilities for socio-economic adjustment, and for support for emergence of new entrepreneurs and development of local and regional enterprises.	Number of communities supported so they can mobilize around development issues	40
	Number of individuals receiving entrepreneurship services	1,500
Regions attract tourists from outside Quebec and investment, and this generates economic spinoffs within communities.	Number of local and regional enterprises being developed, maintained or established	430
	Number of tourism products and services being developed, expanded or upgraded	75
	Number of tourism products and destinations being commercialized outside Quebec	50
	Number of growth-generating tourism projects and community infrastructure projects supported	13

Program activity summary

A community's vitality depends on its ability to bring its assets to bear in order to develop. The Agency fosters the dynamism of Quebec communities through maintenance and development of their economic activity base.

[11]Expected results targets are established in line with the context of the Agency's intervention and its priorities, Departmental risks, and resources, among other things. They are determined on the basis of historical data from implementation of the Agency's performance management strategy, as presented in Section 2.3. *Community Futures Program* (CFP) performance targets are not included.

The goals targeted by the *Community development* program activity are the following:

- **Community mobilization:** by fostering the development of communities and increasing their mobilization through the establishment of visions, plans and initiatives for development.
- **Local and regional enterprises:** by assisting communities through entrepreneurship support and the creation, development or maintenance of viable enterprises of local or regional scope.
- **Tourism and community facilities:** by increasing regions' ability to attract tourists and skilled individuals.

The Agency intervenes primarily in regard to SMEs and NPOs in Quebec communities and regions through two grants and contributions programs: *Community Diversification*[12] and the *Community Futures Program.*[13]

Planning highlights and benefits to Canadians

This program activity enables Quebec regions and communities to maintain and develop their economic activity base. This is all the more crucial since the recent economic downturn had an impact on communities' vitality, such as the closing of SMEs of local and regional scope, and the drop in the number of tourists from outside Quebec.

To help enterprises become more competitive and dynamic, the Agency intends, along with other economic development stakeholders, to increase support for communities so they become stronger. To achieve this priority, the Agency plans to support entrepreneurship and the creation and development of SMEs, and to back the diversification of communities, particularly, through the TISQFE, those affected by the crisis in the forest sector.

Under the *Community Futures Program* (CFP), the Agency has received permanent funding, and continues to support local and regional development organizations, including *Community Futures Development Corporations* (CFDCs), *Community Economic Development Corporations* (CEDCs) and *Business Development Centres* (BDCs).

Through the economic development initiative devoted to official language minority communities in Quebec, the Agency intends to support diversification and entrepreneurship initiatives from English-speaking communities.

Furthermore, as part of its contribution to Theme I of the FSDS – *Addressing climate change and air quality* – the Agency intends to finance development projects from communities which could, among other things, help optimize resource use, reclaim wastes and contribute to eco-efficiency.

[12] www.dec-ced.gc.ca/eng/programs/diversification/diversification.html
[13] www.dec-ced.gc.ca/eng/programs/cfp/cfp.html

2.2.2 Program activity: *Infrastructure*

Human resources (FTEs) and planned spending *(in thousands of dollars)*

2011-12		2012-13		2013-14	
FTEs	Planned spending	FTEs	Planned spending	FTEs	Planned spending
3	*342*	3	*14,844*	0	*3,648*

Planned spending in 2011-12 does not include funds for the *Recreational Infrastructure Canada* program, a CEAP initiative that has been extended to October 31, 2011. That information was not available at the time this Report was prepared.

In addition to operating expenditures, the Agency plans to spend some $18 million in contributions in 2012-13 and 2013-14 for the contribution program to fund construction of a gas pipeline between Vallée-Jonction and Thetford Mines.

Program activity summary

Quality infrastructure is fundamental to prosperous communities. It attracts enterprises and workers, guarantees efficient movement of goods, and contributes to quality of life and a healthy environment. The Government of Canada has created a series of programs to renew and construct public infrastructure.

The Agency takes part in the implementation of different infrastructure programs for which Infrastructure Canada is accountable, notably the *Municipal Rural Infrastructure Fund* (MRIF, announced in 2005), *Canada Strategic Infrastructure Fund* (CSIF, announced in 2005) and *Building Canada Fund* (BCF, announced in 2007).

Canada's Economic Action Plan Initiative

Recreational Infrastructure Canada program

In the 2009 federal budget, the Agency received $80.4 million in funding over two years for the *Recreational Infrastructure Canada* (RInC) program. In December 2010, the Government of Canada extended the program until October 31, 2011.

RInC is a Canada-wide initiative intended to be a targeted, short-term measure to stimulate the Canadian economy. Its aim is to help reduce the impact of the recent global recession by increasing the overall value of construction activities associated with recreational infrastructure. RInC-funded projects primarily involve modernizing, repairing, replacing or expanding existing recreational infrastructure, such as swimming pools, arenas and playing fields. In Quebec, the program is implemented in partnership with the Quebec government.

RInC expected results	Performance indicators	Annual targets 2011-12
Increase in economic opportunities	Demonstration of the link between projects and economic opportunities	The impact is demonstrated through examples or case studies.
Partnership with Quebec and communities	Level of investment by other participants (province, municipalities, etc.) compared with the federal contribution	For each $1 of federal contribution, at least $2 comes from other partners.
Increase in construction activities associated with recreational infrastructure	Number of projects carried out successfully	As per agreement with Quebec government

Planning highlights and benefits to Canadians

By supporting the implementation of different infrastructure programs, the Agency will contribute, among other things, to increasing the number of households that have access to new drinking water and wastewater infrastructure. Planning highlights and expected results with respect to the MRIF, CSIF and BCF are to be found in Infrastructure Canada's *Report on Plans and Priorities.*[14]

[14] www.infc.gc.ca.

2.2.3 Program activity: *Special intervention measures*

Program activity summary

The termination of funding under the *Community Adjustment Fund*, a CEAP initiative ending on March 31, 2011, means the Agency no longer has funds dedicated to this program activity. Special intervention measures provide assistance for communities and regions facing major economic shocks or natural disasters. In those situations, if it should receive additional dedicated funding from the Government of Canada, the Agency implements special adjustment measures, on a temporary basis, to enable communities to sustain their economic activity and take steps that will help them find a new balance or regain economic stability.

This program activity has two goals:

- **Communities' adjustment to economic shocks:** by facilitating the definition and implementation of development and diversification opportunities in communities affected by the disappearance of major sources of employment. The Agency assists communities and regions facing major economic shocks.
- **Communities' adjustment to natural disasters:** by facilitating the adjustment of communities facing natural disasters.

2.2.4 Program activity: *Enterprise competitiveness*

Human resources (FTEs) and planned spending *(in thousands of dollars)*

2011-12		2012-13		2013-14	
FTEs	Planned spending	FTEs	Planned spending	FTEs	Planned spending
85	*93,702*	78	*91,371*	74	*78,258*

Program activity expected result	Performance indicators	Annual targets 2011-12[15]
Enterprises assisted are high-performance and competitive.	Number of enterprises supported in strategic management, market development or value chain management	1,150
	Number of innovative enterprises involved in an innovation management approach	200
	Number of innovative enterprises in startup or pre-startup phase	100

[15]Expected results targets are established in line with the context of the Agency's intervention and its priorities, Departmental risks, and resources, among other things. They are determined on the basis of historical data from implementation of the Agency's performance management strategy, as presented in Section 2.3.

Program activity summary

This program activity enables enterprises to improve their performance and competitiveness by increasing their productivity and profitability, thus contributing to creating conditions conducive to sustainable growth.

To support the competitiveness of enterprises, the Agency has two goals:

- **Development of enterprises' strategic capabilities:** by improving capabilities with respect to management, innovation, adoption of advanced technology, market development, and integration with globalized production chains; and by encouraging in particular support for organizations dedicated to improving enterprises' strategic capabilities in order to enhance SMEs' performance and contribute to their adjustment.
- **Support for strategic enterprises:** by supporting the establishment and first phases of pre-startup and startup of innovative enterprises which are active in a region's priority niches so as to consolidate its economic base.

This program activity primarily targets SMEs and NPOs, and is implemented through the *Business and Regional Growth* grants and contributions program.[16]

Planning highlights and benefits to Canadians

Beyond the uncertainty generated by the economic situation, Quebec SMEs and regions will—in order to achieve their full growth potential—have to meet such globalization-related challenges as greater productivity, enhanced capabilities for development and commercialization of innovative products and processes, and development of new markets. The Agency will use the tools available to it to help enterprises improve their performance and increase their competitiveness.

The Agency's intervention with respect to *Enterprise competitiveness* is in line with the *Help SMEs become more competitive* priority. To pursue this priority, the Agency intends in particular to support SMEs in production management and in commercialization of innovative products and development of new markets. Also, through its support for the startup of innovative enterprises, the Agency is acting in line with the *Make Quebec communities stronger* priority.

In addition, through the economic development initiative devoted to official language minority communities in Quebec, the Agency intends to support projects aimed at supporting the competitiveness of enterprises from English-speaking communities.

Furthermore, as part of its contribution to Theme I of the FSDS – *Addressing climate change and air quality* – the Agency intends to finance projects aimed at supporting the competitiveness of communities which could, among other things, help optimize resource use, reclaim wastes and contribute to eco-efficiency.

[16] www.dec-ced.gc.ca/eng/programs/growth/growth.html.

2.2.5 Program activity: *Competitive positioning of sectors and regions*

Human resources (FTEs) and planned spending *(in thousands of dollars)*

2011-12		2012-13		2013-14	
FTEs	Planned spending	FTEs	Planned spending	FTEs	Planned spending
11	*22,744*	10	*21,793*	9	*18,100*

Program activity expected result	Performance indicators	Annual targets 2011-12[17]
Sectors and regions enhance their competitive positioning.	Number of clusters and networks in development in niches defined by business offices	15
	Number of institutions supported for performing technology transfer in co-operation with enterprises	10

Program activity summary

This program activity aims to improve regions' international competitiveness by showcasing their knowledge and competitive advantages on the international stage.

The two goals targeted by this program activity are:

- **Development of regional competitiveness poles and national- and international-calibre poles of excellence,** by primarily supporting innovation and networking of knowledge players, and encouraging technology enhancement and transfer.
- **Enhancement of the international competitiveness of Quebec regions,** by supporting the integrated promotion of locational factors, attraction of foreign direct investment and reinvestment by foreign firms already established in Quebec.

This program activity primarily targets SMEs and NPOs, and is supported by the *Business and Regional Growth* program.

Planning highlights and benefits to Canadians

This program activity aims primarily to pursue the development of competitiveness poles by fostering alliances among the different innovation stakeholders: knowledge institutions, enterprises and their groups, and SME support organizations. To support the economy and jobs of tomorrow, the Agency will back the consolidation of competitiveness poles in the regions so as to contribute to the creation of wealth and the outreach of sectors and regions. Thus, the Agency's intervention with respect to this program activity is aimed at improving Canada's competitive positioning.

Some of the Agency's actions with regard to *Competitive positioning of sectors and regions* are in line with the *Help SMEs become more competitive* priority. To pursue this priority, the Agency intends in particular to support SMEs in technology transfer activities.

[17]Expected results targets are established in line with the context of the Agency's intervention and its priorities, Departmental risks, and resources, among other things. They are determined on the basis of historical data from implementation of the Agency's performance management strategy, as presented in Section 2.3.

2.2.6 Program activity: *Policies, programs and initiatives*

Human resources (FTEs) and planned spending *(in thousands of dollars)*

2011-12		2012-13		2013-14	
FTEs	Planned spending	FTEs	Planned spending	FTEs	Planned spending
44	*5,675*	41	*5,436*	39	*5,209*

Program activity expected results	Performance indicators	Annual targets 2011-12
The Agency's policies, programs and initiatives are aimed at reinforcing the economy of communities and regions.	Number and nature of research projects carried out in connection with regional development issues	Research projects are carried out in connection with regional development issues.
	Number and nature of policies developed and initiatives implemented	Policies, programs and initiatives correspond to the development needs of Quebec enterprises and communities.
	Number of events (e.g., missions, tours, awareness days, etc.) piloted by the Agency in Quebec to promote SMEs' capabilities	Under the *Industrial and Regional Benefits Policy*, events are held in co-operation with partners in order to meet needs established by prime contractors.

Program activity summary

This program activity gives Quebec regions and communities the opportunity to benefit from federal action which, among other things, helps create and disseminate knowledge with respect to economic development that is helpful for development stakeholders, and helps grasp business opportunities.

Three goals support this program activity:

- **Analysis and research:** by helping development stakeholders have overarching facts and data available to them to inform their reflection and facilitate their decision-making with respect to development trends, challenges and issues.
- **Policies and programs:** by meeting the needs of Quebec communities and regions by drawing up policy directions, programs, initiatives, policies and guidelines that are adapted, coherent and consistent with government priorities.
- **Representation, influence and collaboration:** by raising Quebec regions' and communities' awareness of federal government priorities, programs and initiatives with respect to economic development.

Planning highlights and benefits to Canadians

The Agency generates and disseminates helpful knowledge for the business world, associations and institutions, enabling them to act with regard to economic development in a complementary, synergistic and effective manner.

Through its ongoing efforts, the Agency puts forward policies, programs and initiatives which reflect government priorities, trends, challenges and the development needs of Quebec's regions. Adapted, coherent, effective federal action stimulates communities' and regions' economic activity, and support for SMEs enables them to develop, and to generate wealth locally, thus fostering strong economic growth.

The number of major projects planned by the Government of Canada over the next few years will create a larger number of opportunities for Quebec enterprises to integrate the value chains of global prime contractors or develop their international markets. The Agency will expend effort to make Quebec SMEs' capabilities known to prime contractors seeking suppliers or partners in Canada.

2.2.7 Program activity: *Internal services*

Human resources (FTEs) and planned spending *(in thousands of dollars)*

2011-12		2012-13		2013-14	
FTEs	Planned spending	FTEs	Planned spending	FTEs	Planned spending
168	*23,509*	156	*22,882*	147	*22,243*

Program activity summary

This program activity supports the Agency's strategic outcome. *Internal services* are groups of related activities and resources that are administered to meet the needs of programs and other corporate obligations. They include only those activities and resources that apply across an organization, and not those provided specifically to a program. They lead to higher efficiency in program delivery, thus contributing to quality services for Canadians.

For the Agency, these groups are:

- *Governance and management support*, comprising the following services:
  - Management and monitoring[18]
  - Communications
  - Legal services
- *Resource management services*, comprising the following services:
  - Human resources management
  - Financial management
  - Information management
  - Information technology
  - Other administrative services

[18] Management and monitoring services notably include internal audit, evaluation and planning.

- *Asset management services,* comprising the following services:
  - Real property
  - Materiel
  - Acquisitions.

Planning highlights and benefits to Canadians

The Agency is contributing to Theme IV of the Federal Sustainable Development Strategy (FSDS), *Shrinking the environmental footprint – Beginning with government.*

In line with the greening of government operations, the Agency contributes to attaining targets with respect to the following elements:

- Surplus electronic and electrical equipment
- Printing unit reduction
- Paper use
- Green meetings
- Green procurement

Further information on Agency activities aimed at shrinking the environmental footprint are available in the table in Section 3 of the RPP entitled "Greening of government operations."

2.3 Performance measurement strategy

The Agency's performance management strategy is based on the systematic observation of outcome indicators as defined in its performance management framework. These indicators will be used to conduct ongoing measurement of targeted outcomes and provide material for the Agency's strategic decision-making during fiscal year 2011-12. Among the indicators that will be tracked are both output (activity) indicators and outcome indicators.

Owing to their nature, anticipated outcomes will occur within a variable timeframe. Most will not be observable in the year in which disbursement is made. For instance, it is often only after two years that an enterprise's expected increase in sales following an investment made with Agency assistance materializes. That is why the Agency's performance measurement strategy is spread over a five-year horizon and why the yearly performance measurement reports will, in the initial years, be limited to outputs, immediate outcomes and intermediate outcomes.

3 SUPPLEMENTARY INFORMATION

3.1 Main financial data

The detailed financial statements can be found on the Agency's Website at:

www.dec-ced.gc.ca/eng/publications/agency/rpp.html

3.1.1 Future-oriented financial statements

Future-oriented condensed statement of financial operations For the year ending March 31, 2012 *(thousands of dollars)*	Variation in %	Future-oriented 2011-12	Future-oriented 2010-11
Expenditures			
Total expenditures	(44%)	219,755	392,049
Revenues			
Total revenues	45%	858	593
Net cost of operations		218,897	391,456

3.2 List of supplementary tables

All electronic supplementary information tables in the *Report on Plans and Priorities 2011-12* are available on the Treasury Board of Canada Secretariat's Website at:

www.tbs-sct.gc.ca/rpp/2011-2012/info/info-eng.asp

Table: Details of Transfer Payment Programs

Table: Greening government operations

Table: Horizontal initiative

Table: Upcoming internal audits and evaluations (next three fiscal years)

Table: Sources of non-respendable revenue

4 OTHER ITEMS OF INTEREST

Agency programs:
www.dec-ced.gc.ca/eng/programs/index.html

Agency organizational chart:
www.dec-ced.gc.ca/eng/agency/chart/organizational.html

List of business offices:
www.dec-ced.gc.ca/eng/business-offices/business.html

Agency contribution to FSDS:

Under the *Federal Sustainable Development Strategy* (FSDS), the Economic Development Agency of Canada for the Regions of Quebec undertakes to:

- Provide additional information concerning sustainable development activities associated with the Agency's mandate.
- Reinforce the application of strategic environmental assessments (SEAs) by ensuring that environmental considerations are taken into account in policy and/or social and economic program decisions.
- Pursue the application of sound practices associated with summary reporting on SEA results, in line with FSDS objectives and targets, thus ensuring more transparent environmental decision-making.

Further information on Agency activities in support of sustainable development are available at:

www.dec-ced.gc.ca/eng/agency/environmental-affairs/environment.html